Honolulu, Hawaii

April 4

, 2014

RE: S.B. No. 2887 S.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2887, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ESTATE AND GENERATION-SKIPPING TRANSFER TAXES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Conform the State's estate and generation-skipping transfer tax law to the Internal Revenue Code of 1986, as amended as of December 31, 2013; and
- (2) Amend the definition of "applicable exclusion amount" to close a loophole in the current law that allows a decedent to avoid estate and generation-skipping transfer taxes.

The Department of Taxation testified in support of this measure. The Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2887, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

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Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LUKE, Chair

State of Ha



Record of Votes of the Committee on Finance

SB 2887, SD1	Committee Referral: FIN	Date:	/27/2014	
☐ The committee is reconsidering its prev	ious decision on the measure.			
	unamended (as is) Pass short form bill with HD to recon	s, with amendments (I	•	·
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)				
3. JOHANSON, Aaron Ling (VC)				
4. CULLEN, Ty J.K.				
5. HASHEM, Mark J.				
6. ING, Kaniela				
7. JORDAN, Jo				
8. KOBAYASHI, Bertrand				
9. LOWEN, Nicole E.				
10. MORIKAWA, Dee				
11. ONISHI, Richard H.K.			<u> </u>	
12. TAKAYAMA, Gregg				
13. TOKIOKA, James Kunane				
14. WOODSON, Justin H.			<u></u>	
15. YAMASHITA, Kyle T.				
16. FUKUMOTO, Beth				
17. WARD, Gene				
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TOTAL (17)	14			3
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				
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